



**METROPOLITAN  
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COMMISSION**

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June 6, 2007

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**Therese W. McMillan**  
Deputy Executive Director, Policy

The Honorable John Laird  
Chair, Assembly-Senate Budget Conference Committee  
State Capitol  
Sacramento, CA 95814

Re: FY 2007-08 State Budget — Transportation

Dear Chair Laird,

As you and your colleagues embark on the final budget negotiations, I urge you to maintain sufficient funding for the Public Transportation Account to keep public transit construction projects on schedule and to direct State Transit Assistance (STA) funds needed to operate buses and rail cars at the levels approved by the Assembly and Senate.

Beyond the specifics of the FY 2007-08 budget, MTC also strongly supports finding a long-term solution to the “spillover” this year. We are very concerned that a statute put in place over three decades ago to benefit public transit has become a “leaky bucket” that threatens to drain funding away from transportation.

More to the point, the ‘spillover’ is simply a portion of the sales tax receipts on gasoline, and diverting these funds from transportation purposes is to ignore the multiple times that the voters have shown their desire to dedicate gasoline sales taxes to transportation — Proposition 42 in March 2002 (69 percent), followed by Proposition 1A last November (77 percent).

We urge you and your colleagues to find a way to incorporate the spillover into Proposition 42 in order to give it the same constitutional protection that the voters demanded through passage of Proposition 1A. This should be done in such a way as to improve funding predictability for *all* modes, while also meeting the needs of the state’s growing transit passengers who take over 1.3 billion trips annually and can play a vital role in achieving the state’s bold greenhouse gas reduction targets.

Sincerely,

Therese W. McMillan  
Deputy Executive Director, Policy

cc: Members, Budget Conference Committee

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Hon. Mike Machado

Hon. Dennis Hollingsworth

Hon. Mark Leno

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Hon. Dick Ackerman, Senate Republican Leader  
Hon. Fabian Núñez, Assembly Speaker  
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Mr. Josh W. Shaw, California Transit Association  
San Francisco Bay Area Delegation  
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